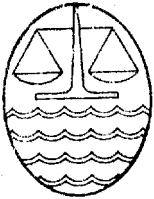




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**THIRD CONFERENCE
ON THE LAW OF THE SEA**

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Bolivia and Paraguay: draft articles on the
"regional economic zone"

Explanatory note: The delegations of Bolivia and Paraguay have held consultations on a number of questions concerning the law of the sea, in particular the topic of the regional economic zone. They now present the following draft articles for consideration in the debate on that item at the Third United Nations Conference on the Law of the Sea.

The preparation and submission of these draft articles do not, of course, imply the withdrawal or replacement of any proposals already submitted separately or jointly by the sponsoring States. This proposal is intended as an improved and expanded version of previous proposals. The basic philosophy underlying the regional economic zone has already been outlined in the statement made by the representatives of Bolivia and Paraguay on 5 August 1974.

Article 1

Coastal States and neighbouring land-locked States shall have the right to establish jointly regional economic zones between the 12-mile territorial sea and up to a maximum distance of 200 nautical miles, measured from the applicable baselines of the territorial sea.

Article 2

All the States concerned shall participate fully in the regional economic zone and shall be entitled to enjoy the use and benefits of all renewable and non-renewable resources therein, with equal rights and obligations.

Article 3

The States which form part of a regional economic zone shall jointly manage the exploration, exploitation and conservation of the resources of the zone through regional machinery, on the same lines as that proposed for a similar purpose in the sea-bed and ocean floor beyond the limits of national jurisdiction, which shall also ensure an equitable distribution of the resulting benefits.

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Article 4

Third States, international, governmental and non-governmental organizations whatever their scope, and natural or legal persons may be allowed to co-operate in the regional economic zones, and financing may be accepted from any source for the operation of the regional machinery.

Article 5

Within the limits of each regional economic zone there shall be regional sovereignty for the exploration, exploitation and conservation of the natural resources, whether renewable or non-renewable, of the sea-bed, the subsoil and the superjacent waters, and jurisdictional powers over the contiguous zone shall be exercised exclusively by the coastal States.

Article 6

On the basis of the equality of rights and obligations of all participating States without discrimination of any kind, the regional economic zone shall protect and preserve, and ensure the protection and preservation of, the marine environment, and may permit joint scientific research to be carried on.

Article 7

The regional economic zone may establish, preferably through the regional machinery, an enterprise as the organ of the authority responsible for carrying out all technical, industrial and commercial activities, including the regulation of production, the marketing and the distribution of raw materials from the regional economic zone resulting from exploration of the zone and exploitation of its natural resources. The enterprise, in the exercise of its functions and powers, which shall be laid down in a convention and its pertinent regulations, shall assume responsibility for the relevant activities, either directly or through operational contracts, joint ventures, joint management or any other type of legal régime which does not conflict with the interests of the zone and the machinery shall ensure effective administrative and financial control in all circumstances.

Article 8

In the exercise of its powers and functions, the enterprise shall act in accordance with the general policy and conditions laid down by the competent regional assembly, and shall submit proposals with regard to its activities and the legal provisions required for such activities to the competent body or council for consideration and authorization.

Article 9

On the same lines as the international zone and the marine and ocean resources beyond national jurisdiction, which are deemed to be the common heritage of mankind - a principle that has already acquired the character of a rule of international law - the regional economic zones and their renewable and non-renewable resources shall be declared the common heritage of the region.

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Article 10

The regional economic zones may organize themselves on the broadest possible basis and shall also exploit their resources in such a manner as to ensure that they do not adversely affect the national land-based economies of countries dependent on a single commodity which are members of the zone or of other zones.

Article 11

The members of each regional economic zone, whether or not they are coastal States, shall be equitably and fairly represented both in the regional machinery and in the enterprise.
